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Amended Statement Cover

The Annual Statement has been amended for the year ended December 31, 2007 in accordance with the audited financial statements.

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ANNUAL STATEMENT

OF THE

Windsor Health Plan, Inc.

of

Brentwood

in the state of

Tennessee

TO THE

Insurance Department

OF THE STATE OF

Tennessee

For the Year Ending
December 31, 2007

2007



ANNUAL STATEMENT
For the Year Ending December 31, 2007
OF THE CONDITION AND AFFAIRS OF THE
Windsor Health Plan, Inc.

NAIC Group Code	1268 (Current Period)	1268 (Prior Period)	NAIC Company Code	95792	Employer's ID Number	62-1531881
Organized under the Laws of	Tennessee		State of Domicile or Port of Entry	Tennessee		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[] Dental Service Corporation[] Other[] Property/Casualty[] Vision Service Corporation[] Is HMO Federally Qualified? Yes[] No[X] N/A[] Hospital, Medical & Dental Service or Indemnity[] Health Maintenance Organization[X]					
Incorporated/Organized	05/14/1993		Commenced Business	01/01/1994		
Statutory Home Office	7100 Commerce Way, Suite 285 (Street and Number)		Brentwood, TN 37027 (City or Town, State and Zip Code)			
Main Administrative Office	7100 Commerce Way, Suite 285 (Street and Number)		Brentwood, TN 37027 (City or Town, State and Zip Code)			
Mail Address	7100 Commerce Way, Suite 285 (Street and Number or P.O. Box)		Brentwood, TN 37027 (City or Town, State and Zip Code)			
Primary Location of Books and Records	7100 Commerce Way, Suite 285 (Street and Number)		Brentwood, TN 37027 (City or Town, State and Zip Code)			
Internet Website Address	www.windsorhealthgroup.com		(615)782-7800 (Area Code) (Telephone Number)			
Statutory Statement Contact	Jennifer Giannotti (Name) jgiannotti@windsorhealthgroup.com (E-Mail Address)		(615)782-7914 (Area Code)(Telephone Number)(Extension) (615)782-7826 (Fax Number)			

OFFICERS

Name	Title
Michael Bailey	President
Willis Jones	Secretary
	Treasurer

OTHERS

DIRECTORS OR TRUSTEES

Phillip Hertik
Michael Bailey

Willis Jones

State of Tennessee
County of Williamson ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Michael Bailey
(Signature)
Michael Bailey
(Printed Name)
1.
President
(Title)

Willis Jones
(Signature)
Willis Jones
(Printed Name)
2.
Secretary
(Title)

(Signature)

(Printed Name)
3.
Treasurer
(Title)

Subscribed and sworn to before me this
15th day of September, 2008

Linda S. Marshall
(Notary Public Signature)



MY COMMISSION EXPIRES:
January 9, 2012

a. Is this an original filing?
If no,

1. State the amendment number
2. Date filed
3. Number of pages attached

Yes[] No[X]

2

09/15/2008

ASSETS

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols.1-2)	Net Admitted Assets
1.	Bonds (Schedule D)	5,829,237		5,829,237	5,046,487
2.	Stocks (Schedule D)				
2.1	Preferred stocks				
2.2	Common Stocks				
3.	Mortgage loans on real estate (Schedule B):				
3.1	First liens				
3.2	Other than first liens				
4.	Real estate (Schedule A):				
4.1	Properties occupied by the company (less \$.....0 encumbrances)				
4.2	Properties held for the production of income (less \$.....0 encumbrances)				
4.3	Properties held for sale (less \$.....0 encumbrances)				
5.	Cash (\$.....12,890,370 Schedule E Part 1), cash equivalents (\$.....7,023,153 Schedule E Part 2) and short-term investments (\$.....0 Schedule DA)	19,913,523		19,913,523	14,221,064
6.	Contract loans (including \$.....0 premium notes)				
7.	Other invested assets (Schedule BA)				
8.	Receivables for securities				
9.	Aggregate write-ins for invested assets				
10.	Subtotals, cash and invested assets (Lines 1 to 9)	25,742,760		25,742,760	19,267,551
11.	Title plants less \$.....0 charged off (for Title insurers only)				
12.	Investment income due and accrued	96,279		96,279	73,860
13.	Premiums and considerations				
13.1	Uncollected premiums and agents' balances in the course of collection	93,271		93,271	2,921,416
13.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)				
13.3	Accrued retrospective premiums	2,749,603		2,749,603	
14.	Reinsurance:				
14.1	Amounts recoverable from reinsurers	42,301		42,301	
14.2	Funds held by or deposited with reinsured companies				
14.3	Other amounts receivable under reinsurance contracts				
15.	Amounts receivable relating to uninsured plans	800,480		800,480	567,655
16.1	Current federal and foreign income tax recoverable and interest thereon				
16.2	Net deferred tax asset	260,594		260,594	
17.	Guaranty funds receivable or on deposit				
18.	Electronic data processing equipment and software				
19.	Furniture and equipment, including health care delivery assets (\$.....0)				
20.	Net adjustment in assets and liabilities due to foreign exchange rates				
21.	Receivables from parent, subsidiaries and affiliates				
22.	Health care (\$.....471,945) and other amounts receivable	1,087,133	615,186	471,947	486,890
23.	Aggregate write-ins for other than invested assets	34,156	34,156		
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	30,906,577	649,342	30,257,235	23,317,372
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26.	Total (Lines 24 and 25)	30,906,577	649,342	30,257,235	23,317,372
DETAILS OF WRITE-INS					
0901.	.....			
0902.	.....			
0903.	.....			
0998.	Summary of remaining write-ins for Line 9 from overflow page				
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)				
2301.	Prepaid Expenses	34,156	34,156		
2302.	.....			
2303.	.....			
2398.	Summary of remaining write-ins for Line 23 from overflow page				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	34,156	34,156		

LIABILITIES, CAPITAL AND SURPLUS

		Current Year			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$.....0 reinsurance ceded)	14,781,556		14,781,556	8,714,990
2.	Accrued medical incentive pool and bonus amounts				
3.	Unpaid claims adjustment expenses	338,580		338,580	243,616
4.	Aggregate health policy reserves	948,440		948,440	1,020,757
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserves				
7.	Aggregate health claim reserves				
8.	Premiums received in advance				
9.	General expenses due or accrued	326,301		326,301	202,135
10.1	Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses))				
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable				
12.	Amounts withheld or retained for the account of others				
13.	Remittances and items not allocated				
14.	Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)				
15.	Amounts due to parent, subsidiaries and affiliates	694,170		694,170	938,492
16.	Payable for securities				
17.	Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers)				
18.	Reinsurance in unauthorized companies				
19.	Net adjustments in assets and liabilities due to foreign exchange rates				
20.	Liability for amounts held under uninsured plans	5,259,566		5,259,566	5,579,245
21.	Aggregate write-ins for other liabilities (including \$.....0 current)	2,665		2,665	
22.	Total liabilities (Lines 1 to 21)	22,351,278		22,351,278	16,699,235
23.	Aggregate write-ins for special surplus funds	X X X	X X X		
24.	Common capital stock	X X X	X X X	100,000	100,000
25.	Preferred capital stock	X X X	X X X		
26.	Gross paid in and contributed surplus	X X X	X X X	83,890,279	85,190,279
27.	Surplus notes	X X X	X X X	4,231,300	4,231,300
28.	Aggregate write-ins for other than special surplus funds	X X X	X X X	(6,955,991)	(6,955,991)
29.	Unassigned funds (surplus)	X X X	X X X	(73,359,631)	(75,947,451)
30.	Less treasury stock, at cost:				
30.1	.....0 shares common (value included in Line 24 \$.....0)	X X X	X X X		
30.2	.....0 shares preferred (value included in Line 25 \$.....0)	X X X	X X X		
31.	Total capital and surplus (Lines 23 to 29 minus Line 30)	X X X	X X X	7,905,957	6,618,137
32.	Total Liabilities, capital and surplus (Lines 22 and 31)	X X X	X X X	30,257,235	23,317,372
DETAILS OF WRITE-INS					
2101.	Accounts Payable Other	2,665		2,665	
2102.	.....			
2103.	.....			
2198.	Summary of remaining write-ins for Line 21 from overflow page				
2199.	TOTALS (Lines 2101 through 2103 plus 2198) (Line 21 above)	2,665		2,665	
2301.	.....	X X X	X X X		
2302.	.....	X X X	X X X		
2303.	.....	X X X	X X X		
2398.	Summary of remaining write-ins for Line 23 from overflow page	X X X	X X X		
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	X X X	X X X		
2801.	Dividend to Vanderbilt University	X X X	X X X	(6,955,991)	(6,955,991)
2802.	.....	X X X	X X X		
2803.	.....	X X X	X X X		
2898.	Summary of remaining write-ins for Line 28 from overflow page	X X X	X X X		
2899.	TOTALS (Lines 2801 through 2803 plus 2898) (Line 28 above)	X X X	X X X	(6,955,991)	(6,955,991)

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months	X X X	189,478	621,466
2.	Net premium income (including \$.....0 non-health premium income)	X X X	119,328,295	57,048,413
3.	Change in unearned premium reserves and reserve for rate credits	X X X		
4.	Fee-for-service (net of \$.....0 medical expenses)	X X X		
5.	Risk revenue	X X X		
6.	Aggregate write-ins for other health care related revenues	X X X		
7.	Aggregate write-ins for other non-health revenues	X X X		
8.	Total revenues (Lines 2 to 7)	X X X	119,328,295	57,048,413
Hospital and Medical:				
9.	Hospital/medical benefits		60,966,381	28,161,913
10.	Other professional services			11,708,110
11.	Outside referrals		11,548,431	
12.	Emergency room and out-of-area		1,724,774	
13.	Prescription drugs		19,367,091	5,785,972
14.	Aggregate write-ins for other hospital and medical			
15.	Incentive pool, withhold adjustments and bonus amounts		100,239	
16.	Subtotal (Lines 9 to 15)		93,706,916	45,655,995
Less:				
17.	Net reinsurance recoveries		461,000	
18.	Total hospital and medical (Lines 16 minus 17)		93,245,916	45,655,995
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including \$.....238,433 cost containment expenses		94,964	81,205
21.	General administrative expenses		22,601,043	10,494,358
22.	Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)			
23.	Total underwriting deductions (Lines 18 through 22)		115,941,923	56,231,558
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	3,386,372	816,855
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		1,173,733	525,325
26.	Net realized capital gains (losses) less capital gains tax of \$.....0			
27.	Net investment gains (losses) (Lines 25 plus 26)		1,173,733	525,325
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)]			
29.	Aggregate write-ins for other income or expenses			
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	4,560,105	1,342,180
31.	Federal and foreign income taxes incurred	X X X	1,596,037	
32.	Net income (loss) (Lines 30 minus 31)	X X X	2,964,068	1,342,180
DETAILS OF WRITE-INS				
0601.	.....	X X X		
0602.	.....	X X X		
0603.	.....	X X X		
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		
0701.	.....	X X X		
0702.	.....	X X X		
0703.	.....	X X X		
0798.	Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799.	TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401.	.....		
1402.	.....		
1403.	.....		
1498.	Summary of remaining write-ins for Line 14 from overflow page			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901.	.....		
2902.	.....		
2903.	.....		
2998.	Summary of remaining write-ins for Line 29 from overflow page			
2999.	TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)			

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	6,618,137	5,288,457
34.	Net income or (loss) from Line 32	2,964,068	1,342,180
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....0		
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax	260,594	
39.	Change in nonadmitted assets	(636,842)	52,440
40.	Change in unauthorized reinsurance		
41.	Change in treasury stock		
42.	Change in surplus notes		
43.	Cumulative effect of changes in accounting principles		
44.	Capital Changes:		
44.1	Paid in		
44.2	Transferred from surplus (Stock Dividend)		
44.3	Transferred to surplus		
45.	Surplus adjustments:		
45.1	Paid in	(1,300,000)	(64,940)
45.2	Transferred to capital (Stock Dividend)		
45.3	Transferred from capital		
46.	Dividends to stockholders		
47.	Aggregate write-ins for gains or (losses) in surplus		
48.	Net change in capital and surplus (Lines 34 to 47)	1,287,820	1,329,680
49.	Capital and surplus end of reporting year (Line 33 plus 48)	7,905,957	6,618,137
DETAILS OF WRITE-INS			
4701.	.....	
4702.	.....	
4703.	.....	
4798.	Summary of remaining write-ins for Line 47 from overflow page		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)		

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	119,334,520	54,994,865
2.	Net investment income	1,221,100	559,315
3.	Miscellaneous income		
4.	Total (Lines 1 through 3)	120,555,620	55,554,180
5.	Benefit and loss related payments	87,821,894	31,688,608
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	23,029,382	11,129,178
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	1,596,037	
10.	Total (Lines 5 through 9)	112,447,313	42,817,786
11.	Net cash from operations (Line 4 minus 10)	8,108,307	12,736,394
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	1,940,000	770,000
12.2	Stocks		
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7	Miscellaneous proceeds		
12.8	Total investment proceeds (Lines 12.1 to 12.7)	1,940,000	770,000
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	2,792,536	3,088,850
13.2	Stocks		
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets		
13.6	Miscellaneous applications		
13.7	Total investments acquired (Lines 13.1 to 13.6)	2,792,536	3,088,850
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(852,536)	(2,318,850)
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock	(1,300,000)	
16.3	Borrowed funds		
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders		
16.6	Other cash provided (applied)	(263,312)	1,554,285
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(1,563,312)	1,554,285
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	5,692,459	11,971,829
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	14,221,064	2,249,235
19.2	End of year (Line 18 plus Line 19.1)	19,913,523	14,221,064

Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001			
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ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	119,328,295						113,142,998		6,185,297	
2. Change in unearned premium reserves and reserve for rate credit										
3. Fee-for-service (net of \$.....0 medical expenses)										X X X
4. Risk revenue										X X X
5. Aggregate write-ins for other health care related revenues										X X X
6. Aggregate write-ins for other non-health care related revenues		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
7. Total revenues (Lines 1 to 6)	119,328,295						113,142,998		6,185,297	
8. Hospital/medical benefits	60,966,381						60,977,145	(10,764)		X X X
9. Other professional services										X X X
10. Outside referrals	11,548,431						11,548,431			X X X
11. Emergency room and out-of-area	1,724,774						1,724,774			X X X
12. Prescription drugs	19,367,091						13,229,385		6,137,706	X X X
13. Aggregate write-ins for other hospital and medical										X X X
14. Incentive pool, withhold adjustments and bonus amounts	100,239						100,239			X X X
15. Subtotal (Lines 8 to 14)	93,706,916						87,579,974	(10,764)	6,137,706	X X X
16. Net reinsurance recoveries	461,000						461,000			X X X
17. Total hospital and medical (Lines 15 minus 16)	93,245,916						87,118,974	(10,764)	6,137,706	X X X
18. Non-health claims (net)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
19. Claims adjustment expenses including \$.....238,433 cost containment expenses	94,964						94,964			
20. General administrative expenses	22,601,043						19,621,978	2,113,122	865,943	
21. Increase in reserves for accident and health contracts										X X X
22. Increase in reserves for life contracts		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
23. Total underwriting deductions (Lines 17 to 22)	115,941,923						106,835,916	2,102,358	7,003,649	
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	3,386,372						6,307,082	(2,102,358)	(818,352)	
DETAILS OF WRITE-INS										
0501.										X X X
0502.										X X X
0503.										X X X
0598. Summary of remaining write-ins for Line 5 from overflow page										X X X
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)										X X X
0601.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0602.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0603.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0698. Summary of remaining write-ins for Line 6 from overflow page		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
1301.										X X X
1302.										X X X
1303.										X X X
1398. Summary of remaining write-ins for Line 13 from overflow page										X X X
1399. TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)										X X X

EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

1 Name of Affiliate	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	Admitted	
						7 Current	8 Non-Current
Individually listed receivables							
Windsor Management Services, Inc.	901,867					901,867	
0199999 Total - Individually listed receivables	901,867					901,867	
0299999 Receivables not individually listed							
0399999 Total gross amounts receivable	901,867					901,867	

EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

1	2	3	4	5
Affiliate	Description	Amount	Current	Non-Current
Individually listed payables				
Windsor Management Services	federal income taxes	1,596,037	1,596,037	
0199999 Total - Individually listed payables	X X X	1,596,037	1,596,037	
0299999 Payables not individually listed	X X X	630	630	
0399999 Total gross payables	X X X	1,596,667	1,596,667	

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes[X] No[]
1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes[X] No[] N/A[]
1.3 State Regulating? Tennessee
2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes[] No[X]
2.2 If yes, date of change:
3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 06/30/2004
3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 06/30/2004
3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 05/15/2006
3.4 By what department or departments? Tennessee Department of Commerce & Insurance
4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business? Yes[] No[X]
4.12 renewals? Yes[] No[X]
4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business? Yes[] No[X]
4.22 renewals? Yes[] No[X]
5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[] No[X]
5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

Table with 3 columns: 1 Name of Entity, 2 NAIC Company Code, 3 State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[] No[X]
6.2 If yes, give full information:
7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes[] No[X]
7.2 If yes,
7.21 State the percentage of foreign control 0.000%
7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

Table with 2 columns: 1 Nationality, 2 Type of Entity

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[] No[X]
8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[] No[X]
8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e., the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

Table with 7 columns: 1 Affiliate Name, 2 Location (City, State), 3 FRB, 4 OCC, 5 OTS, 6 FDIC, 7 SEC

- 9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit? Deloitte & Touche LLP, 424 Church Street, Suite 2400 Nashville, Tennessee 37219
10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification? Edgar Schneider, actuary, Reden & Anders Ltd., 2170 Satellite Blvd, Suite 150, Duluth, GA 30097
11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes[] No[X]
11.11 Name of real estate holding company
11.12 Number of parcels involved
11.13 Total book/adjusted carrying value \$ 0
11.2 If yes, provide explanation
12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
12.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
12.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes[] No[] N/A[X]
12.3 Have there been any changes made to any of the trust indentures during the year? Yes[] No[] N/A[X]
12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes? Yes[] No[] N/A[X]

GENERAL INTERROGATORIES (Continued)

- 13.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
c. Compliance with applicable governmental laws, rules and regulations;
d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
e. Accountability for adherence to the code.

13.11 If the response to 13.1 is No, please explain:

13.2 Has the code of ethics for senior managers been amended?

13.21 If the response to 13.2 is Yes, provide information related to amendment(s).

13.3 Have any provisions of the code of ethics been waived for any of the specified officers?

13.31 If the response to 13.3 is Yes, provide the nature of any waiver(s).
- Yes[X] No[]

Yes[] No[X]

Yes[] No[X]

BOARD OF DIRECTORS

14. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

15. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

16. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?
- Yes[X] No[]

Yes[X] No[]

Yes[X] No[]

FINANCIAL

17. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

18.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
18.11 To directors or other officers
18.12 To stockholders not officers
18.13 Trustees, supreme or grand (Fraternal only)

18.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
18.21 To directors or other officers
18.22 To stockholders not officers
18.23 Trustees, supreme or grand (Fraternal only)

19.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

19.2 If yes, state the amount thereof at December 31 of the current year:
19.21 Rented from others
19.22 Borrowed from others
19.23 Leased from others
19.24 Other

20.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

20.2 If answer is yes:
20.21 Amount paid as losses or risk adjustment
20.22 Amount paid as expenses
20.23 Other amounts paid

21.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

21.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:
- Yes[] No[X]

\$ 0
\$ 0
\$ 0

\$ 0
\$ 0
\$ 0

Yes[] No[X]

\$ 0
\$ 0
\$ 0
\$ 0

Yes[] No[X]

\$ 0
\$ 0
\$ 0

Yes[] No[X]

\$ 0

INVESTMENT

- 22.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date?

22.2 If no, give full and complete information, relating thereto:

23.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 19.1).

23.2 If yes, state the amount thereof at December 31 of the current year:
23.21 Loaned to others
23.22 Subject to repurchase agreements
23.23 Subject to reverse repurchase agreements
23.24 Subject to dollar repurchase agreements
23.25 Subject to reverse dollar repurchase agreements
23.26 Pledged as collateral
23.27 Placed under option agreements
23.28 Letter stock or securities restricted as to sale
23.29 On deposit with state or other regulatory body
23.291 Other

23.3 For category (23.28) provide the following:
- Yes[X] No[]

Yes[] No[X]

\$ 0
\$ 0
\$ 0
\$ 0
\$ 0
\$ 0
\$ 0
\$ 0
\$ 0
\$ 0
\$ 0

1	2	3
Nature of Restriction	Description	Amount

- 24.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

24.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement.

25.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

25.2 If yes, state the amount thereof at December 31 of the current year.

26. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, G - Custodial or Safekeeping agreements of the NAIC Financial Condition Examiners Handbook?

26.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:
- Yes[] No[X]

Yes[] No[] N/A[X]

Yes[] No[X]

\$ 0

Yes[X] No[]

GENERAL INTERROGATORIES (Continued)

1 Name of Custodian(s)	2 Custodian's Address
Bank of America	Atlanta, Georgia
Regions Morgan Keegan	Nashville, Tennessee
Regions Morgan Keegan	Little Rock, Arkansas

26.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....

26.03 Have there been any changes, including name changes, in the custodian(s) identified in 26.01 during the current year? Yes[X] No[]
26.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
AmSouth Investment Services	Regions Morgan Keegan	10/12/2007	Merger / acquisition

26.05 Identify all investment advisers, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
.....

27.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])? Yes[] No[X]
27.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
27.2999 Total

27.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....

28. Provide the following information for all short term and long term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
28.1 Bonds	5,829,237	5,829,237 .....	.....
28.2 Preferred stocks .....	.....	.....	.....
28.3 Totals	5,829,237	5,829,237 .....	.....

28.4 Describe the sources of methods utilized in determining the fair values
Fair values are provided by custodial financial institutions.

29.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes[X] No[]
29.2 If no, list exceptions:

OTHER

30.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$..... 0
30.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

GENERAL INTERROGATORIES (Continued)

1	2
Name	Amount Paid

31.1 Amount of payments for legal expenses, if any? \$..... 0
31.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1	2
Name	Amount Paid

32.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$..... 0
32.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies officers or department of government during the period covered by this statement.

1	2
Name	Amount Paid

GENERAL INTERROGATORIES (Continued)

1
Name of Service Area
In Arkansas: Pulaski, Saline, Lonoke, Clay, Craighead, Poinsett, Cross, Crittenden, Arkansas, Garland, Hot Spring, Clark, Stone, Cleburne, Independence, Jackson, Greene, Randolph, Benton, Carroll, Washington, Madison, Crawford, Sebastian, Franklin, Logan, Johnson, Yell, Conway
In Mississippi: Hinds, Copiah, Rankin, Lincoln, Yazoo, Warren, Claiborne, Pike, Attala, Leake, Scott, Smith, Winston, Newton, Kemper, Lauderdale, Clarke, Lowndes, Tunica, De Soto, Tate, Panola, Marshall, Lafayette, Benton, Union, Tippah, Prentiss, Simpson
In South Carolina: Greenville, Spartanburg

FIVE-YEAR HISTORICAL DATA

	1 2007	2 2006	3 2005	4 2004	5 2003
BALANCE SHEET (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 26)	30,257,235	23,317,372	5,453,930	5,144,185	4,739,560
2. Total liabilities (Page 3, Line 22)	22,351,278	16,699,235	165,406	168,538	351,768
3. Statutory surplus	6,291,309	4,172,221	2,662,003	2,907,434	1,946,994
4. Total capital and surplus (Page 3, Line 31)	7,905,957	6,618,137	5,288,457	4,975,647	4,387,792
INCOME STATEMENT (Page 4)					
5. Total revenues (Line 8)	119,328,295	57,048,413	(19,038)		60,663
6. Total medical and hospital expenses (Line 18)	93,245,916	45,655,995		(55,034)	(62,542)
7. Claims adjustment expenses (Line 20)	94,964	81,205			
8. Total administrative expenses (Line 21)	22,601,043	10,494,358	(326,674)	(149,967)	973,153
9. Net underwriting gain (loss) (Line 24)	3,386,372	816,855	345,712	205,001	(849,948)
10. Net investment gain (loss) (Line 27)	1,173,733	525,325	130,105	63,872	84,090
11. Total other income (Lines 28 plus 29)			(98,000)		
12. Net income or (loss) (Line 32)	2,954,068	1,342,180	377,817	268,873	(765,858)
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	8,108,307	12,736,394	(4,018)	548,664	(1,401,684)
RISK-BASED CAPITAL ANALYSIS					
14. Total adjusted capital	7,905,957	6,618,137	5,288,524	4,975,647	4,387,792
15. Authorized control level risk-based capital	4,946,987	2,652,883	61,169	56,832	750,846
ENROLLMENT (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	54,715	53,293	40,951	38,361	28,910
17. Total members months (Column 6, Line 7)	189,478	621,466	512,718	416,116	334,760
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	78.1	80.0			
20. Cost containment expenses					X X X
21. Other claims adjustment expenses	0.1				
22. Total underwriting deductions (Line 23)	97.2	98.6			3,896.0
23. Total underwriting gain (loss) (Line 24)	3	1			(3,636)
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Column 5)	6,502,468		(19,038)	9,784	821,657
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	8,288,100			64,818	884,199
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
26. Affiliated bonds (Sch. D Summary, Line 25, Column 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 39, Column 1)					
28. Affiliated common stocks (Sch. D Summary, Line 53, Column 1)					
29. Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Column 5, Line 7)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. Total of above Lines 26 to 31					

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 Brentwood, TN 37027



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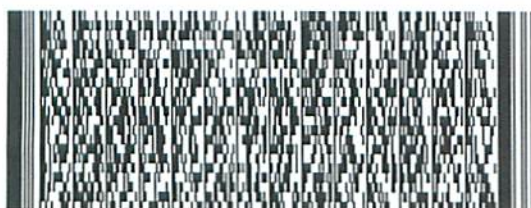
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